

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Water
Company (U 133 E) for Authority to Increase
Rates for Electric Service in the Bear Valley
Electric Customer Service Area.

Application 01-08-020

**ADMINISTRATIVE LAW JUDGE'S RULING
REVISING PROCEDURAL SCHEDULE**

Summary

This ruling grants the motion of Bear Mountain, Inc. (Bear Mountain) to suspend the procedural schedule, and provides for a delay in the filing of testimony by other parties. The ruling also establishes a new procedural schedule based on the revised filing dates for testimony.

Background

On November 16, 2001, Bear Mountain filed a motion For Suspension of Procedural Schedule Pending Receipt and Review of Power Purchase Audit Ordered by Commission. The motion requests that the procedural schedule be delayed pending receipt of the audit of the Purchased Power Adjustment Clause Revenue Account (PPAC) ordered by the Commission in Resolution E-3704, May 24, 2001. The audit is intended to review and verify the accuracy of the components in the PPAC used by Southern California Water Company (SCWC) Bear Valley Electric Customer Service Area to track purchased power costs. Bear Mountain's motion requests that opening testimony by other parties be delayed for 30 days after receipt of the audit. Bear Mountain argues that the audit is

directly related to the issues in this proceeding and necessary to the development of its testimony. Bear Mountain also indicates it has certain pending data requests of SCWC that cannot be included in testimony under the current procedural schedule.

On November 19, 2001, the Office of Ratepayer Advocates (ORA) filed a response supporting Bear Mountain's motion. ORA argues that the audit is necessary to the development of testimony and evidentiary record. ORA believes a delay in the procedural schedule will provide efficient use of time and staff resources.

On November 20, 2001, the assigned Administrative Law Judge ruled that all responses to Bear Mountain's motion be received by November 27, 2001. Also, on November 20, 2001, the audit was distributed by SCWC to parties.

SCWC filed a response to Bear Mountain's motion on November 27, 2001. The response argues that SCWC's application is prospective and its request for a rate increase is the result of two long-term contracts for power. SCWC further argues that the purpose of the audit is a verification of the accuracy of the account, and not a determination of the prudence of the power contracts.

Discussion

The October 4, 2001 Assigned Commissioner's Ruling Determining the Category, Need for Hearing, Scope and Schedule set the proposed procedural schedule. Opening testimony by other parties was scheduled for November 30, rebuttal testimony was due December 7, and evidentiary hearings were scheduled for December 14, 17, and 18. As discussed at the prehearing conference in developing the schedule, other parties indicated their testimony

would include any pertinent information developed from the audit. The importance of the audit to the development of their testimony has been discussed in the motions of both Bear Mountain and ORA. Furthermore, while the audit does not appear to bear on the reasonableness of SCWC's power contracts, SCWC's application references the PPAC as a measure of need for a rate increase and the substantial financial problems it currently faces.

If the proposed procedural schedule established in the Assigned Commissioner's Ruling was maintained, it is likely that any pertinent information developed from the audit would result in either revised or supplemental testimony, and complicate the record. As a result there may be more days of hearings, delay in the proceedings, and an inefficient use of the resources of parties. Therefore, it is reasonable to provide a delay in the filing of testimony by other parties and a revision to the procedural schedule.

As the audit has now been distributed, providing a delay in the mailing of testimony for other parties, and recognition of the holiday period, results in the following revised procedural schedule:

Opening testimony by other parties due	December 20, 2001
Rebuttal testimony due	January 4, 2002
Evidentiary Hearings	January 14, 15, 16, 2002
Opening Briefs due	February 15, 2002
Reply Briefs due and Projected Submission	March 1, 2002

Therefore, **IT IS RULED** that:

1. The motion of Bear Mountain Inc. for Suspension of Procedural Schedule Pending Receipt and Review of Power Purchase Audit Ordered by Commission is granted.
2. The procedural schedule is revised as discussed in this ruling.

Dated November 29, 2001, at San Francisco, California.

/s/ BRUCE M. DEBERRY

Bruce M DeBerry
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Revising Procedural Schedule on all parties of record in this proceeding or their attorneys of record.

Dated November 29, 2001, at San Francisco, California.

/s/ JEANNIE CHANG

Jeannie Chang

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.